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**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR**  
**THE SHORES AT RAINBOW LAKE**

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**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**FOR THE SHORES AT RAINBOW LAKE**

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions (the "Declaration") is made this \_\_\_ day of August, 2001, by The Shores At Rainbow Lake Community Association, an Arizona non-profit corporation (the "Association").

**WITNESSETH:**

**WHEREAS**, the real property described on Exhibit A attached hereto and improvements, and the appurtenances, easements and rights appurtenant thereto (collectively referred to herein as the "Property") has previously been submitted and subject to a Declaration of Covenants, Conditions and Restrictions; which instrument was recorded in Docket 825, pages 248 through 309, inclusive, records of Navajo County, Arizona, imposing certain covenants, conditions and restrictions upon the real property located in Navajo County, Arizona, described in the Declaration.

**WHEREAS**, the Declaration of Covenants, Conditions and Restrictions for the Shores at Rainbow Lake was amended by (i) instrument dated May 8, 1987 and recorded on May 15, 1987 in Docket 868 at Pages 832-845, inclusive, (ii) instrument dated May 15, 1990 and recorded May 24, 1990 in Docket 995, Pages 149-152, inclusive, (iii) instrument dated January 7, 1991 and recorded January 16, 1991 in Docket 1019, Pages 436 through 439, inclusive, and (iv) instrument dated February 26, 1992 and recorded February 28, 1992 in Docket 1068, Pages 99-104, inclusive.

**WHEREAS**, the Declaration of Covenants, Conditions and Restrictions for the Shores at Rainbow Lake, as previously amended, shall be referred to herein as the "Initial Declaration."

**WHEREAS**, the Initial Declaration provides that it may be amended by the written approval or of the affirmative vote, or any combination thereof, of Owners representing not less than sixty-seven percent (67%) of the votes in each class of membership in the Association and that this Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Shores at Rainbow Lake has been approved by the written approval or the affirmative vote, or any combination thereof, of Owners representing not less than sixty-seven percent (67%) of the votes in each class of membership.

**WHEREAS**, the Initial Declaration provides that any amendment approved by the Owners representing not less than sixty-seven percent (67%) of the votes in each class of membership shall be signed by the President or Vice President of the Association and shall certify that the amendment has been approved as required by the Initial Declaration.

**WHEREAS**, the Association now desires to amend and restate the Declaration of Covenants, Conditions and Restrictions in its entirety.

**NOW, THEREFORE**, the Association hereby declares that all of the said real property described on Exhibit A attached hereto (hereinafter sometimes referred to as the Shores at Rainbow Lake) shall be held, sold, and conveyed subject to the easements, restrictions, covenants, and conditions contained in this Declaration which are for the purpose of protecting the value and desirability of, and which shall run with said real property, and be binding on all parties having any right, title or interest in said real property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE 1

### DEFINITIONS

- 1.0. "**Annual Assessment**" means the assessments levied against each Lot and Parcel, and the Owner thereof, pursuant to Section 5.1 of this Declaration.
- 1.1. "**Architectural Committee**" means the committee of the Association to be created pursuant to Section 4.9 of this Declaration.
- 1.2. "**Architectural Committee Rules**" means the rules and guidelines adopted by the Architectural Committee pursuant to Section 4.9 of this Declaration, as they may from time to time be amended or supplemented.
- 1.3. "**Articles**" means the Articles of Incorporation of the Association, as they may from time to time be amended.
- 1.4. "**Assessable Property**" means each Lot or Parcel.
- 1.5. "**Assessment**" means an Annual Assessment, Special Assessment or Extraordinary Assessment.
- 1.6. "**Assessment Lien**" means the lien created and imposed by Article 5 of this Declaration.
- 1.7. "**Assessment Period**" means the period set forth in Section 5.4 of this Declaration.
- 1.8. "**Association**" means The Shores At Rainbow Lake Community Association, an Arizona non-profit corporation.
- 1.9. "**Association Rules**" means the rules adopted by the Board pursuant to Section 4.2 of this Declaration, as they may from time to time be amended.
- 1.10. "**Board**" means the Board of Directors of the Association.
- 1.11. "**Bylaws**" means the Bylaws of the Association, as they may from time to time be amended.
- 1.12. "**Cluster Residential Common Area**" means the real property, together with all improvements situated thereon, designated on the Project Plat as Tracts F and U and the real property, together with all improvements situated thereon, owned or leased by the Association and restricted by this Declaration or any Tract Declaration to the exclusive use of the Owners, Residents and Lessees of Cluster Residential Units.

1.13. "**Cluster Residential Unit**" means a portion of a building located within the Project intended for independent ownership for use and occupancy as a residence by a Single Family and which is attached by a common wall to one or more other portions of the same building which are also intended for independent ownership for use and occupancy as a residence by a Single Family. By way of illustration, the term "Cluster Residential Unit" shall include condominium units and attached townhouse units but shall not include single family houses situated on separately platted lots or rental apartments.

1.14. "**Cluster Residential Use**" means the use of a portion of the Project for the construction, development, sale, lease and use of Cluster Residential Units together with related areas intended for the use and enjoyment of the Owners, Lessees and Residents of the Cluster Residential Units.

1.15. "**Common Area**" means all real property together with the buildings, structures and improvements thereon, which is owned or leased by the Association for the use and benefit of all or less than all of the members of the Association, and shall include the Cluster Residential Common Area and the Detached Residential Common Area. With respect to Tracts L and M, "Common Area" shall mean the land underlying the Lake and shall not include the water in the Lake which is owned by the Show Low Irrigation District. The Common Area to be owned by the Association at the time of the conveyance of the first Lot or Parcel to a Purchaser is Tracts A, F, G, H, J, K, L, M, N and P as shown on the Project Plat.

1.16. "**Common Expenses**" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

1.17. "**Declaration**" means this Amended and Restated Declaration of Covenants, Conditions, and Restrictions, as it may be further amended from time to time.

1.18. "**Detached Residential Common Area**" means the real property, together with all improvements situated thereon, designated on the Project Plat as Tracts G, H, I, N and P, and all other real property, together with all improvements situated thereon, owned or leased by the Association and restricted by this Declaration or any Tract Declaration to the exclusive use of the Owners of Detached Residential Units.

1.19. "**Detached Residential Unit**" means a building situated upon a Lot intended for independent ownership for use and occupancy as a residence by a Single Family.

1.20. "**Detached Residential Use**" means the use of a portion of the Project for the construction, development, sale, lease and use of Detached Residential Units together with related areas intended for the use and enjoyment of the Owners, Residents and Lessees of the Detached Residential Units.

1.21. "**Extraordinary Assessments**" means any assessment levied pursuant to Section 5.3 of this Declaration.